

JENNER & BLOCK LLP  
Randall E. Mehrberg  
353 N. Clark Street  
Chicago, IL 60654  
Tel: 312 840 7505  
rmehrberg@jenner.com

*Special Corporate Defense & Energy Counsel  
for Debtors and Debtors in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

**In re:**

**PG&E CORPORATION,**

**- and -**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors.**

- ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas & Electric Company  
☒ Affects both Debtors

*\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).*

Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**THIRD SUPPLEMENTAL  
DECLARATION OF RANDALL E.  
MEHRBERG IN SUPPORT OF  
SUPPLEMENTAL APPLICATION  
PURSUANT TO 11 U.S.C. § 327(e) AND  
FED. R. BANKR. P. 2014(a) AND 2016  
FOR ORDER AUTHORIZING THE  
DEBTORS TO RETAIN JENNER &  
BLOCK LLP AS SPECIAL CORPORATE  
DEFENSE & ENERGY COUNSEL  
NUNC PRO TUNC TO THE PETITION  
DATE**

I, Randall E. Mehrberg, hereby declare:

I am a partner of Jenner & Block LLP (“**Jenner & Block**” or the “**Firm**”), a law firm with offices in Chicago, Illinois; New York, New York; Washington, D.C.; Los Angeles, California; and London, United Kingdom. I am currently resident in Jenner & Block’s Chicago office, located at 353 North Clark Street, Chicago, IL 60654. I am a member in good standing of the bar of the State of Illinois, and there are no disciplinary proceedings pending against me.

I submit this third supplemental declaration in connection with the Supplemental

Application<sup>1</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for an order, pursuant to sections 327(e) and 328(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), expanding the scope of the retention of Jenner & Block as the Debtors’ special corporate defense and energy counsel effective as of January 29, 2019 (the “Petition Date”). Unless otherwise stated in this Third Supplemental Declaration, I have personal knowledge of the facts set forth herein.

To the extent that any information disclosed herein requires subsequent amendment or modification upon Jenner & Block’s completion of further analysis or as additional information regarding creditors and other parties in interest becomes available, one or more supplemental declarations will be submitted to the Court reflecting the same.

#### **SERVICES TO BE PROVIDED**

Jenner & Block has more than 500 lawyers in offices in Chicago, New York, Los Angeles, Washington D.C., and, through an affiliated law firm, in London. Since 2017, Jenner & Block has represented the Debtors in various corporate investigations and other regulatory matters, as described in greater detail in my Original Declaration [Dkt. 912]. Since the filing of my Original Declaration, Jenner & Block has agreed to render services to the Debtors in connection with the following new matters (collectively, the “Supplemental Matters”):

- Investigate, litigate, and provide strategic advice related to an Order to Show Cause and to an Order Instituting Investigation issued by the CPUC in November 2019 regarding the 2019 Public Safety Power Shutoff events (the “PSPS Matter”);
- Conduct an investigation into metrics regarding gas operations procedures and practices (the “Metrics Investigation”);
- Assist the Debtors in litigation arising out of a fatality that occurred in 2015 when an excavator struck a PG&E natural gas line (the “Bakersfield Litigation”).

---

<sup>1</sup> Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms in the Supplemental Application.

- 1           • Provide the Debtors with legal assistance in monitoring substantive orders,  
2 rules, policy statements, notices of proposed rulemaking, notices of investigation,  
3 notices of technical conferences, guidances and other official Issuances of select  
4 state and federal regulatory agencies and departments that, on their face, create or  
5 propose to create new law applicable to PG&E, that impose new compliance  
6 obligations on PG&E, or that would materially alter pre-existing law applicable to,  
7 or compliance obligations of, the Debtors (the “**Agency Monitoring Matters**”).<sup>2</sup>

8                                   **PROFESSIONAL COMPENSATION**

9           As described in my Original Declaration, the rate structure (the “**2019 Rate Structure**”)  
10 provided for in the engagement agreement dated January 22, 2018 (the “**Engagement**  
11 **Agreement**”) between the Debtors and Jenner & Block expired effective as of December 31, 2019.  
12 The 2019 Rate Structure involved a 15% discount from Jenner & Block’s standard 2018 rates,  
13 along with certain additional volume discounts. In recent weeks, Jenner & Block and the Debtors  
14 have negotiated a new rate structure (the “**2020 Rate Structure**”) under which Jenner & Block  
15 will charge its standard 2018 hourly rates without any additional percentage or volume discounts.  
16 The following table summarizes the expected difference between the 2019 Rate Structure and 2020  
17 Rate Structure as to each category of billing professionals:

18

Position	Estimated Blended Rate	
	2019 Rate Structure	2020 Rate Structure
Partners	\$785	\$881
Special Counsel & Associates	\$490	\$586
<b>Attorney Total</b>	<b>\$586</b>	<b>\$669</b>
Paralegals	\$292	\$323
<b>All Timekeepers</b>	<b>\$572</b>	<b>\$656</b>

21

22

---

23 <sup>2</sup> While the agencies to be monitored may vary depending on PG&E’s needs and priorities over time, at this time the  
24 Agency Monitoring Matters include monitoring of the following entities: the U.S. Department of Homeland Security;  
25 U.S. Department of Health & Human Services; the U.S. Department of Labor; the U.S. Department of Transportation;  
26 the U.S. Securities & Exchange Commission; the U.S. Internal Revenue Service; the U.S. Environmental Protection  
27 Agency; the U.S. Occupational Safety & Health Administration; the U.S. Nuclear Regulatory Commission; the U.S.  
28 Federal Energy Regulatory Commission; the U.S. Federal Communications Commission; the U.S. Federal Aviation  
Administration; the U.S. Federal Election Commission; the California Fair Political Practices Commission; the  
California Department of Fish & Wildlife; the California Air Resources Board; the California Independent System  
Operator; the California State Water Resource Control Board; the California Energy Commission; the North American  
Electric Reliability Corporation; the Western Electricity Coordination Council; and the New York Stock Exchange.

1 The Debtors and Jenner & Block have agreed that, subject to the Court's approval, the  
2 2020 Rate Structure will take effect as of February 1, 2020 and will expire on December 31, 2020.  
3 The 2020 Rate Structure constitutes an approximately 15% discount off of Jenner & Block's  
4 customary rates in effect as of January 1, 2020.

5 Jenner & Block has agreed to render services in connection with the PSPS Matter and the  
6 Metrics Investigation on an hourly basis consistent with the terms of the engagement agreement  
7 between Jenner & Block and the Debtors dated January 22, 2018 (the "**Engagement Agreement**"),  
8 as described in detail in my Original Declaration (except that the 2020 Rate Structure will apply  
9 to any services rendered on or after February 1, 2020).

10 For the Bakersfield Litigation, Jenner & Block has agreed to cap its fees at \$75,000 for  
11 services associated with preparing an initial case assessment and settlement analysis. Following  
12 completion of that work, Jenner & Block will resume billing in accordance with the fee structure  
13 set forth in the Engagement Letter. Jenner & Block has agreed to charge a fixed rate for each  
14 Agency Monitoring Matter on an entity-by-entity basis. For the U.S. Department of Homeland  
15 Security and U.S. Department of Health & Human Services, Jenner & Block has agreed to charge  
16 an annual fee of \$32,400 (\$2,700 per month) each. For each of the other entities in the initial  
17 agencies identified, Jenner & Block has agreed to charge an annual fee of \$21,600 (\$1,800 per  
18 month). Additionally, for any new matters arising from monitoring services rendered in connection  
19 with the Agency Monitoring Matters, Jenner & Block has agreed to provide a credit equal to the  
20 lesser of: (a) 10% of the value of services rendered in connection with such new matter; and (b)  
21 the annual fee for the applicable Agency Monitoring Matter.

22 I believe that Jenner & Block's rates are reasonable based upon its capabilities and are  
23 within the market range for comparable firms. Jenner & Block has, and will continue to, work  
24 closely with the Debtors' other professionals to maximize efficiency and avoid any duplication of  
25 effort.

## VI. JENNER & BLOCK'S DISINTERESTEDNESS AND CONNECTIONS

My Original Declaration set forth information about Jenner & Block's disinterestedness and connections with parties in interest in these Chapter 11 Cases.

Since the filing of my Original Declaration, First Supplemental Declaration, and Second Supplemental Declaration, Jenner & Block began representing the following parties in matters unrelated to these Chapter 11 Cases:

Name of Entity Searched	Name of Entity and/or Affiliate of Entity that is a Jenner & Block Client	Client Status	Relationship to Debtors
Frontier Communications; Frontier Communications of America	Frontier North, Inc.	New	Utility Provider
Prime Clerk; Genesys Telecommunications Laboratories	Duff & Phelps	New	Claims Agent; Interested Party

Additionally, Jenner & Block recently received an updated list of interested parties from Weil Gotshal & Manges LLP. The updated list included the following parties, which Jenner & Block currently represents or formerly represented in matters unrelated to these Chapter 11 Cases:

Name of Entity Searched	Name of Entity and/or Affiliate of Entity that is a Jenner & Block Client	Client Status	Relationship to Debtors
Anchorage Capital Croup LLC	Anchorage Capital Croup LLC	Former	Creditor
Cushman & Wakefield, Inc.	Cushman & Wakefield	Current	Interested Party
Glendon Capital Management L.P.	Glendon Capital Management L.P.	Former	Creditor
Hyundai USA	Hyundai Motor America	Current	Interested Party
Nuance Communications, Inc.	Nuance Communications, Inc.	Current	Interested Party
Nuveen Alternative Advisors, LLC	Nuveen Investments; Nuveen Asset Management	Current	Creditor
Och-Ziff Capital Management Group LLC	Oz Management; Och Ziff; Sculptor Capital Management	Current	Creditor
Simon Property Group	Simon Property Group	Former	Interested Party
Michael Williams	Michael Williams (likely not the same individual)	Current	Interested Party
Serengeti Asset Management LP	Serengeti Asset Management LP	Current	Creditor

I continue to believe that: none of Jenner & Block or any partner in, counsel to, or associate of Jenner & Block represents any entity in or in connection with these Chapter 11 Cases other than the Debtors; Jenner & Block and I do not hold or represent an interest adverse to the Debtors; and neither Jenner & Block nor any of its attorneys, including me, (i) is a creditor, equity security holder, or insider of the Debtors, (ii) has been, within two years before the date of the filing of the

petition, a director, officer, or employee of the Debtors, or (iii) has any interest materially adverse to the interests of the estate or any class of creditors by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

Jenner & Block's practices encompass the representation of many diverse clients, some of which may be or may become creditors or parties in interest. To the extent that, during or at the conclusion of Jenner & Block's employment in these Chapter 11 Cases, it discovers any facts bearing on matters described in this Third Supplemental Declaration, Jenner & Block will supplement the information contained in this Third Supplemental Declaration.

Based on the foregoing, I believe that Jenner & Block is a "disinterested person," as defined in section 101(14) of the Bankruptcy Code, and does not hold or represent an interest adverse to the Debtors, as required by section 327(e) of the Bankruptcy Code, and that Jenner & Block's partners, associates, and special attorneys do not hold or represent any interest adverse to the Debtors or their estates. Accordingly, I submit that Jenner & Block is not disqualified for employment by the Debtors under section 327(e) of the Bankruptcy Code.

#### **RESPONSE TO U.S. TRUSTEE FEE GUIDELINE QUESTIONS**

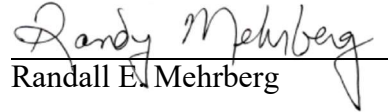
The following answer the questions in Section D.1 of the U.S. Trustee Guidelines:

- 1) Other than the discounts provided for in the Engagement Agreement and noted above, Jenner & Block did not agree to any variations from, or alternatives to, its standard or customary billing arrangements for this engagement.
- 2) None of the professionals included in this engagement vary their rate based on the geographic location of the bankruptcy case.
- 3) Jenner & Block billed the Debtors for services rendered prior to the Petition Date in accordance with the rate schedule included in the Engagement Agreement. Other than as set forth herein, Jenner & Block's billing rates and material financial terms have not changed postpetition.
- 4) Jenner & Block and the Debtors will discuss a staffing plan and budget for

1 the Supplemental Matters in connection with Jenner & Block's next interim  
2 fee application in this case.

3  
4 Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true  
5 and correct to the best of my knowledge, information, and belief.

6 Dated: March 16, 2020  
7 Chicago, Illinois

8   
Randall E. Mehrberg